

## ➤ Sir Jeremy Greenstock

**The world has changed, but how? Those who sat at the top table of the previous era are finding it hardest to readjust to the new geopolitical environment, because they have the most to lose and they are psychologically resistant to adaptation. It is especially difficult for those countries whose power and influence, stemming from the technological and organisational advantages of the West in the 19<sup>th</sup> and 20<sup>th</sup> centuries, was disproportionate to their population size. The world of the new millennium is returning to a more natural order of population size and resource availability, because economic opportunity is more evenly distributed by globalised communications, trade and the spread of freedom. It is economic capability that has become the primary criterion of global weight nowadays.**

The United Kingdom, with 60 million people and few material resources relevant to modern life, has to assess its place in this new mix with especial care. After World War Two, with the momentum of Britain's industrial leadership exhausted, we could have sunk rapidly into second-class obscurity. For thirty years after 1945 it felt as if we were doing just that. But three things in particular gave the UK a second wind in the international arena: our experience as a trading nation in an increasingly open world; our usefulness to the United States in matters of defence and security, which gave Americans the feeling that its relationship with the UK was of special value; and the depth, breadth and organisational strengths of our government machinery, compared with others. The unimpressive performance of the British economy, not least its manufacturing sector, was a limiting factor, setting constraints on the modernisation of our instruments of power. But a partial recovery from the 1980s onwards, built increasingly on open market policies and the dynamism of the services sector, saw the country competing creditably for fourth place in the world's economic tables and capable of sustaining its defence forces and overseas representation at a level above most of its competitors.

Britain's role and performance at the United Nations is an interesting prism through which to illuminate the country's strengths and weaknesses in the international arena. The status of Permanent Membership of the Security Council, a product of the aftermath of World War Two, could never be achieved for the UK on the basis of its 21<sup>st</sup> century assets. Our future is seen from outside, if not domestically, as linked to the impact of the European Union, which in the political, security and diplomatic fields makes a less weighty impression globally than the apparent sum of its parts. Even the advent of the EU's External Action Service under the new High Representative, Catherine Ashton, will not change the capacity to deliver power and influence as a collective, until and unless the EU comes much closer to forming a genuine political union of purpose and political decision-making. That is a receding prospect.

Meanwhile, the UK does not perform badly at dealing with the world as it is. Conscious of our modest qualifications for the premier league, we earn our Security Council place on a continuing basis by the contribution we make to problem-solving and to sensible development policies across the whole range of UN activities. We have to be careful not to flaunt status in any way and to indicate that the work of the Security Council is in truth a subset of the UN's whole approach to development. All Permanent Members of the Security Council take generic stick, but in other respects it is surprising that the UK receives so little direct criticism for its Permanent Membership. The fact is that our competence at multilateral diplomacy and our capacity for constructing routes out of complex problems earn us

enough respect to get by. Similar considerations apply in Brussels, where our EU partners grow exasperated with our lack of enthusiasm for the grand project but prefer to have us contributing our pragmatism. Iraq dealt a heavy blow to this image of a gently fading but still useful UK. At the UN, but also on occasions in other international forums, even including NATO, the British had been able to gain credit, in spite of appearances, for softening, interpreting, re-channelling or sometimes even resisting the rougher or more alarming initiatives of the United States. The wider membership of the UN know that they have to live with the superpower and like to avoid direct confrontation with it, but the majority are highly critical of the US's inclination to do its own thing with scant regard for other countries' viewpoints. The UK could often find ways of finessing such difficulties and thereby earn some forgiveness for their pro-American tendencies. Iraq exploded that trade-off. We were seen as trying but failing to gather legitimacy for the March 2003 invasion and as putting our alliance with the US above our support for the international order. For a while the issue also turned EU exasperation into something close to hostility. The saga will not be forgotten in the international sparring-grounds for a generation and has made it harder to sustain our problem-solver image.

Against this background, the recent financial crisis has come at a bad time. With China, India, Brazil and others flexing their muscles with more confidence on the international stage, the UK was anyway going to start sliding down the relative power scale. To have been complicit in allowing the global financial sector, where the City of London has genuinely played in the first league, to overreach itself and crash is a significant bullet in the foot. The Anglo-Saxon financial model has taken a pasting; and, worse, we have landed ourselves with a volume of debt which has, as the recent budget cuts confirm, made it even harder to sustain the minimum levels of armed forces, diplomatic missions and development aid projects to support a claim to be a substantive independent actor in the global arena. In these circumstances it is more important than ever that we maintain the country's

capacity to live with the larger powers, to persuade other actors that the collective way is the best, to manage our schizophrenic approach to the EU and to make the most of the new opportunities in the G20. Amongst other things, this means having the sharpest diplomats around. It also means investing in representative capacity rather than subjecting the Diplomatic Service to an ongoing series of financial cuts. The current budget of the Foreign and Commonwealth Office for running costs stands at approximately £1.5 billion, or 0.3 per cent of government expenditure. Its complement of UK-origin diplomatic staff overseas has dropped to around 1500, compared with close to 3000 in 1976. Once we are through the emergency measures to deal with the current debt crisis, this lack of front-line investment will have to be readdressed.

Where does this leave the UK in the global pack? Because we are no longer strong enough for independent action abroad, even to defend more than the smallest of our overseas possessions, we are defined by the company we keep and the allies we can bring to our cause. Whatever the UK electorate thinks, before anything else we belong in and to Europe. This can be true even if the relationship with the United States remains our single greatest asset, embracing a huge field of two-way commercial investment as well as a supremely useful security partnership.

The fact is that our minor-part place in the American strategic firmament no longer delivers the same value as in the past, for two overwhelming reasons. First, as the world gradually returns, under the pressure of multipolar activity, to a collection of nation states with a low capacity for compromise in the global interest, the nationalistic inclinations of the US, which always lay at the heart of the formation of the Republic, are reasserting themselves in international affairs. The differences in perspective and societal characteristics between the two sides of the Atlantic will grow over the coming period. Second, the US's capability for strategic positioning in the complex and competitive world of the 21<sup>st</sup> century will be constrained by

the anachronisms of the American constitution. As freedom of the individual advances, one of America's great gifts to the world, so the checks and balances of the arrangements that protect that freedom, vested most visibly in Congress but also in the power of public opinion, grow in comparison to the authority and dynamism of executive government. There is not enough power in the hands of the President, the man generally assumed to be the most powerful in the world, to assess realistically and deliver effectively the US's strategic interests in the multipolar era. This leaves the UK as a smaller part of a relatively smaller American firmament, if that is where we choose to place ourselves.

In strategic terms, Europe currently looks no more attractive. As in the US, the individual European citizen has become more independent from government. Local trumps supranational in people's sense of identity, culture and political choice. Even while the UK is maligned in European circles for failing to capture the excitement of the European project, the trend amongst the peoples of the EU's 27 states, big or (in particular) small, is towards preserving the national prerogative, as the UK has done from the beginning. Increasingly, the decisions taken on the most important issues within the EU are aligned to protecting the familiar way of life in each national space rather than to enlarging the power and global weight of the 27 as a collective. Helped by the polarising aspects of globalisation, the smalls are winning.

That does not mean that the UK is not part of the European journey. In the international environment of the millennium's second decade, the region is the first port of call for any nation as it looks outward. The EU is the greatest experiment in collective action at the regional level in human history and other continents would love to be able to catch up. As an institution for preserving peace and democracy, for promoting economic and commercial interest, for raising standards in numerous areas of our existence as Europeans, the EU has done wonders. But it is running out of momentum for the same reasons as

the United States: local preference and institutional inadaptability. No longer close enough in time to the driving force of its early days, which was the determination to escape from the memory of war, the EU has started to drift without understanding why. All institutions that depend on circumstance for their vitality do that, because global change moves faster than institutions can adjust.

This leaves the UK in an interesting position. Having failed to run with the leading pack in the days of Europe's hunt for collective strength, we are now watching, a bit bemused, as the pack is hauled back to the normal condition of human affairs, tribalism. The politicians who had counted on progress along a straight upward line are finding it hard to readjust to this reverse tug on the pendulum. There is, of course, a huge amount still to play for, because the world's evolution does not follow neat geometric concepts. But Europe's current leaders, whose power still depends on their domestic constituencies, are showing low awareness of the forces limiting their international choices, or of the direction they need to take to give Europe a new purpose in the modern wider world.

Is there a role for the UK in such a picture? Not as a natural leader within Europe, probably, because we lack catalytic power and we have lost respect. We have not in recent years travelled the same path or acquired the same identity characteristics as the continental Europeans. But, provided we show we are willing partners, we have those assets of pragmatism, competence and vigour which managed to get things done in previous eras. The British are better team players than most; and we can help to construct the EU's collective approach to the part-threat, part-opportunity rise of the new economies such as China, India and Brazil, all of whom are showing some disdain for the European nations individually.

There is another facet of the UK's make-up which gives us a fair wind in an egalitarian, complex and multipolar world: our cosmopolitan character. The legacy of Britain's imperial past, which by today's

standards had its shameful aspects, is the mix of ethnic backgrounds and political relationships we have carried into the 21<sup>st</sup> century. Moreover, contrary to what we often think about ourselves, we are a surprisingly tolerant nation. There will always be a nervousness at the margins about immigration and foreign-inspired extremism, but the enormous variety of inputs into our national life makes the nation as a whole extraordinarily adaptable to the social, cultural and therefore political eccentricities of a globalised planet. We are renewing ourselves at a pace and in a manner which may feel uncomfortable to the generally conservative instincts of British society, but which gives us a head-start over many other countries when it comes to fitting in to the new world as it is. In short, the UK should not be too downbeat about itself. Its relative power has shrunk, but not to a point of insignificance. The global environment has altered to its disadvantage, but that is causing plenty of other nations – including the newly emerging ones – a comparable scale of problems. Our place in the hierarchy of the next decade will drop, but perhaps to a more comfortable and sustainable level for the majority of British citizens who do not want the country to be parading too forcefully on the global stage. And we have qualities of resourcefulness and adaptability which will show their strengths if we are accurate in judging the tempestuous flow of world events. But there is no getting away from the cardinal point: a huge amount depends on the strength of our economy. ■

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